

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4794-01
Bill No.: HB 2118
Subject: Fire Protection; Property, Real and Personal; Public Buildings.
Type: Original
Date: April 9, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	\$0	\$15,000
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$15,000

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	(\$15,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Division of Fire Safety (DFS)** state that owners of existing high-rise buildings which are not, as of January 1, 2002, protected throughout by an approved fire protection sprinkler system shall submit a written master plan to the state fire marshal on or before January 1, 2005 outlining their schedule for compliance. The state fire marshal's office is to adopt rules and shall collect a fee for reviewing the plans.

DFS states they are still in the process of gathering data from St. Louis, Kansas City, and Springfield to determine how many high rise buildings there are in the state that would be affected by this proposed legislation. DFS did determine a charge of \$150 for reviewing and approving the plans. Assuming approximately 100 buildings in the state would be affected, DFS officials assume \$15,000 in fees would be paid in FY 2005.

DFS officials estimate that there would be 100 buildings in the state that would be required to install sprinkler systems by January 1, 2015. The majority of these buildings would be in the St. Louis and Kansas City areas. All buildings must be in compliance by January 1, 2015.

DFS staff estimate there are 100 buildings above 75 feet from street level (approximately 7 stories). Each story is approximately 10,000 square feet. DFS officials stated it would cost an average of \$2.00 per square foot to install a sprinkler system in an existing building.

7 story building @ 10,000 sq. ft. per story = 70,000 sq. ft. per building
70,000 x \$2.00 per sq. ft. for installation = \$140,000 cost per building
\$140,000 x 100 buildings = \$14,000,000

In addition, there would be a local cost of \$150 per plan review to submit plans to the State Fire Marshal. Therefore, the total impact to all political subdivisions = \$15,000.

Oversight assumes the capital improvements related to the installation of the fire sprinklers is outside the scope of this fiscal note.

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the State Fire Marshal's authority to promulgate rules, regulations, and forms. SOS estimates the division could require approximately 12 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 36 new pages in the Missouri Register at

ASSUMPTION (continued)

a cost of \$23.00 per page. Costs due to this proposal are estimated to be \$1,152, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length,

and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal; however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **University of Missouri** state that if the bill is implemented, it could cost them approximately \$8 million to comply.

Oversight assumes that since the provisions of this proposal do not apply to state-owned buildings, the University of Missouri would not be required to comply.

Officials from the **Office of Prosecution Services** and the **Office of the Attorney General** each assume that any costs resulting from this proposal could be absorbed with existing resources.

Officials from the **Office of the State Public Defender, Office of the State Courts Administrator, Department of Revenue** and the **Office of Administration - Division of Design and Construction** each assume this proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE			
<u>Income</u> - Department of Public Safety Division of Fire Safety - Fees	<u>\$0</u>	<u>\$0</u>	<u>\$15,000</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$15,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs</u> - Plan reviews	<u>\$0</u>	<u>\$0</u>	<u>(\$15,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>(\$15,000)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires all existing high-rise buildings to install approved fire protection sprinkler systems by January 1, 2015. The sprinkler systems must meet certain minimum standards established by the National Fire Protection Association. Under the proposal, compliance with the minimum standards must take place over several phases from January 1, 2005, to January 1, 2015. The proposal authorizes the State Fire Marshal to adopt rules that are reasonable and necessary to accomplish the proposal's purpose and to establish fees to cover the cost of reviewing sprinkler system plans.

Violation of the proposal's provisions is a class B misdemeanor. The proposal's provisions do not apply to state-owned buildings.

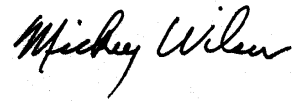
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Division of Fire Safety
Office of the Secretary of State
Office of the Attorney General
Office of the State Courts Administrator

SOURCES OF INFORMATION (continued)

Office of the State Public Defender
Office of Prosecution Services
Office of Administration
Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
April 9, 2002